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# ANNUAL REPORT



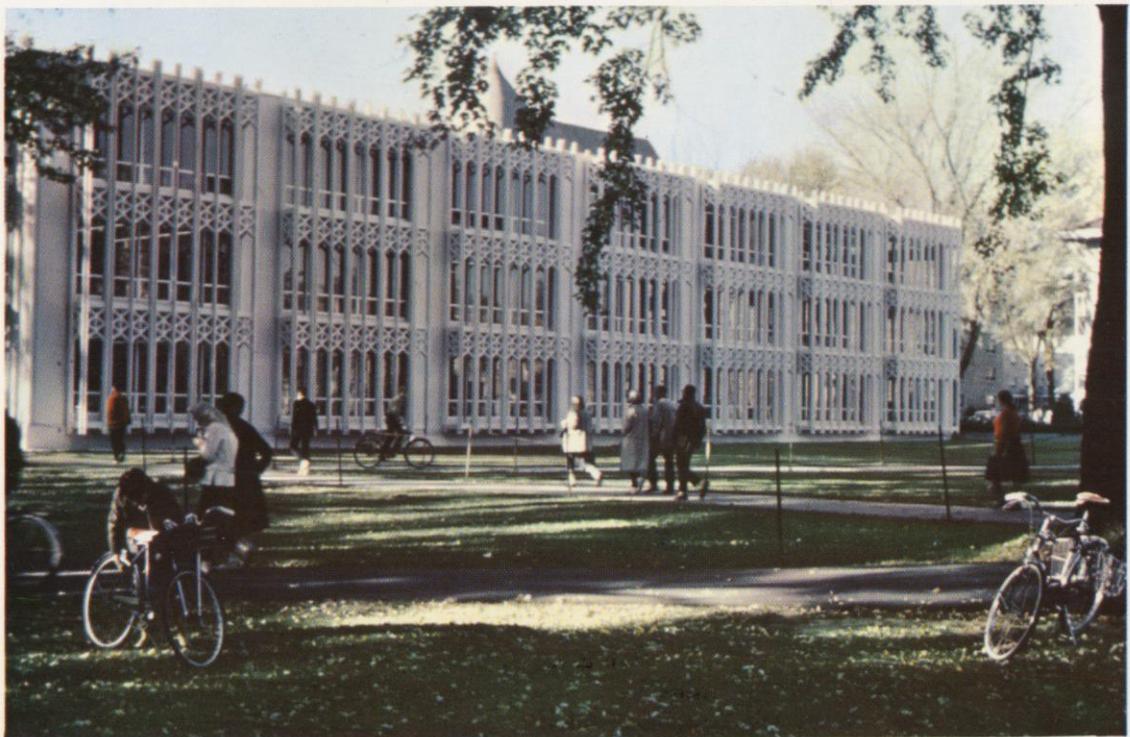
NORTHERN OHIO TELEPHONE COMPANY  
Year ended December 31, 1962

• 1962



The Library is one of the most imposing buildings of the newly established Methodist Theological School in Ohio.

King Humanities Building, of Oberlin College, is of unusual design and beauty.



**Ohio is the Home of  
74 Colleges or Universities**

Our Company is privileged to serve five of these Institutions of higher learning. Pictures of typical buildings shown in this Report are:

Prout Chapel  
Bowling Green State University  
Bowling Green

Library  
Ashland College  
Ashland

University Hall  
Ohio Wesleyan University  
Delaware

Library  
Methodist Theological School in Ohio  
1851 Columbus Pike  
Delaware

King Humanities Building  
Oberlin College  
Oberlin



One of the newer buildings on the campus of Ashland College is the Library.



University Hall is located on the main campus of Ohio Wesleyan University.

(ON FRONT COVER)  
The imposing beauty of Bowling Green State University Chapel blends with the spring blossoms.

**Northern Ohio Telephone Company  
117 North Sandusky Street  
Bellevue, Ohio  
Area Code 419  
Telephone 482-7201**

**C O N T E N T S**

**Summary of Progress  
Report of President  
Balance Sheet Statement  
Earnings Statement  
Certification by  
Ernst and Ernst**

The Annual Meeting of Stockholders  
will be held at 2:00 P.M. on May 21, 1963,  
at the offices of the Company  
117 North Sandusky Street  
Bellevue, Ohio

Formal Notice will be mailed to  
all common stockholders on May 3, 1963,  
and proxies will be requested.

# A YEAR OF PROGRESS

	1962	1961
Construction Expenditures	\$ 4,541,326.03	\$ 4,334,735.27
Telephone Plant December 31	\$46,673,997.74	\$43,559,190.42
Telephones December 31	129,852	125,214
Long Distance Calls	10,724,000	9,697,000
Revenues	\$13,270,945.19	\$12,148,446.12
Expenses	\$ 4,490,610.71	\$ 4,133,097.92
Taxes	\$ 3,912,960.02	\$ 3,574,429.06
Provision for Depreciation	\$ 1,859,320.50	\$ 1,687,471.39
Net Income	\$ 2,370,739.00	\$ 2,204,481.12
Wages Paid	\$ 3,482,347.00	\$ 3,293,178.19
Employees	903	883

# Letter to the STOCKHOLDERS:



Wm. C. Henry  
President

Northern Ohio Telephone Company provides much more than voice telephone service. It is an organization offering to its subscribers the full range of communications. In addition to the conventional automatic Local Exchange and direct distance dialing Message Toll Service, we provide Private Line Telephone, Private Line Teletype, Mechanized or Switched Teletype (TWX), Foreign Exchange Service (FX), Extended Area Service (EAS), Wide Area Telephone Service (WATS), Telemetering, and Homebound Student School Service. When the demand justifies it, we are prepared to offer Private Line and Wide Area Data Transmission (WADS), Mobile Radio, Private Line Telephone Package (TELPAK) which consists of 12 channels that can be used for telephone, telegraph or data, and Educational Television (ETV). This Company's application to purchase shares of stock in the Satellite Communications Corporation was the first application of an Independent telephone company to be approved by the Federal Communications Commission.

Nineteen Sixty-Two was a year of substantial improvement in both the scope and quality of our services and in the character of our physical plant facilities. New automatic central office equipment was installed in a modern fire-proof District Headquarters building at Port Clinton, and direct distance dialing of their own toll calls was extended to the subscribers in that toll

center. At year end 51.7 per cent of our telephones through four of our toll centers had DDD long distance calling, and this service was programmed for two of our remaining Districts.

During the year 2,785 additional subscribers' lines of automatic central office equipment and twenty-one long distance switchboard positions were installed at twenty-three of our offices to provide for increased customer requirements. New buildings or major additions to existing structures were completed at eight locations. Our last remaining magneto exchange at Olena was cut over to dial on August 24th, 1962. Sixty-six of our exchanges provide automatic or dial service to 97.4 per cent of our telephones, and the larger of the two remaining manual exchanges, Wellington, will go dial on May 19th, 1963, with the one remaining exchange programmed. This will provide the most modern automatic exchange service to 100 per cent of our subscribers.

The Federal Aviation Agency combined the functions of its Pittsburgh, Pennsylvania, Air Route Traffic Control Center with the ARTC Center at Oberlin. A major part of the Detroit ARTC Center is in process of being collocated at Oberlin. When this is completed toward the middle of 1964, Oberlin will be the largest single FAA air traffic control installation in the United States. It will represent an investment by this Company of more than \$800,000



for the communications facilities for the FAA.

### TELEPHONES AND TOLL CALLS

During the past twelve months we gained 4,638 telephones through internal growth. This is almost 18 per cent more than the 3,944 telephones gained through growth in the previous year. An increasing number of our customers were upgraded to either individual or two party grade of service, and the number of extension telephones and the proportion of subscribers' stations in color increased substantially. At year end more than 54 per cent of our telephones had ANC (all number calling).

The volume of toll calls in 1962 reached a new high. Our patrons completed 10,724,000 long distance calls, which number exceeds by 1,027,000 calls, or 10.3 per cent the number of long distance messages in 1961. Almost forty per cent of these toll calls were dialed to completion by the subscriber.

As of December 31st, 1962 this Company provided service to 129,852 telephones.

### REVENUES

Total revenues reached a new peak of \$13,270,945.19, an increase of \$1,122,499.07, or 9.2 per cent. Exchange revenue was up 5.6 per cent or \$368,338.16. Our retained portion of long distance business increased 15 per cent, and was \$683,052.72 more. Private line service income was up 13.1 per cent or \$52,621.24 more, due in large part to the facilities provided for the FAA. Pay Station and Rental income were also more than for the previous year.

Other income was \$39,515.27, of which \$25,086.46 was interest earned on U.S. Treasury Bills held, and \$14,428.81 was interest charged to construction.

The major part of the total increase in revenues was due to the larger num-

ber of telephones served and the substantial increase in the use of toll service. A minor factor was the revenue from the Wellington exchange which was received for the full twelve months of 1962.

There was a deduction of \$51,000 from revenues, for uncollectibles for the year. This amount is about one-third of one per cent of our total billings.

Total revenue for the average number of telephones in service during the year was \$104.46, divided \$54.86 from local exchange, \$41.01 from toll and \$8.59 from all other sources. Total revenue per average telephone for 1961 was \$99.65.

### EXPENSES

Operating expenses were also greater than for any previous year, and were \$4,491,350.01. This is an increase of \$358,252.09, which is 8.7 per cent.

Total maintenance expense was \$1,525,935.44 for the year. The increase of \$205,260 was due to increased hourly wage rates, and to the employment of a greater number of automatic central office equipment and station installation and repair personnel. Emphasis was placed on preventative maintenance and a decrease in the interval required to correct interruptions to service after they occurred.

Traffic expense was \$1,642,648.53. The additional \$113,172.79 was by reason of a general increase in the level of switchboard operators' wages, and additional traffic forces required to handle the larger volume of offered long distance messages.

Commercial expense amounted to \$672,489.12. Higher hourly wage rates and a minor increase in local commercial administrative personnel accounted for the \$26,407.84 higher total.

General office expenses were \$389,991.32, up \$11,721.25, almost all of this amount accounted for by wage increases.



Other Operating expense of \$260,285.-60 was almost constant, the small additional amount of \$1690.36 being accounted for by an actuarial increase in the provision for relief and pensions.

### DEPRECIATION

For the year there was added to the reserve for depreciation \$1,859,320.50, which is the amount of the estimated decrease in the value of our physical plant or in its useful service life, including obsolescence. This compares with \$1,687,471.39 set aside for depreciation for the year 1961. The composite rate used to determine the provision for decreased service life of property and plant was four per cent. The increase of \$171,849.11 in the total reservation for this year was by reason of additional plant of over three million dollars and the annual reserve for the full year on the property of the former Wellington Telephone Company.

For the past year the net increase in the reserve for property or plant retired from service was \$860,186.66. At the end of the year the balance in the total reserve for decreased service life of the telephone property was \$7,486,939.10, or 16.4 per cent of total depreciable plant.

### TAXES

The several different taxes paid by this Company are our largest item of expense. The total paid or accrued for 1962 was \$3,912,960.02, as compared with \$3,574,429.06 for 1961, an increase of \$338,530.96, or almost ten per cent.

Federal Income taxes were \$2,527,-810.47, and accounted for the major part of the total increase in taxes since under the presently effective Federal Statutes we must set aside 52 cents out of each dollar of net income for this requirement. The Investment Tax Credit of three per cent on certain items of utility plant having an expected life of eight years or longer was \$123,421.14. This

amount is presently carried as an other deferred credit on the liability side of the balance sheet until the State Regulatory Authority has made a determination as to the final accounting. The Investment Tax Credit reduces the value of plant on which depreciation may be accrued, but whether this amount is to be treated as an addition to net income over the life cycle of the plant on which it was determined, or added to net income in the year in which it was taken, is still under consideration.

County property taxes accrued were \$883,085.58, which is an increase of \$148,-085.58 due to higher effective millage rates, principally the debt service required on new school bond issues or other local Government requirements.

State Excise taxes were \$330,839.18, Federal Insurance Contribution Act (Social Security) increased to \$101,959.-76, Ohio Unemployment Insurance amounted to \$59,605.65, and the tax for the operation of The Public Utilities Commission of Ohio was \$6,410.27.

Under the present tax laws we pay one dollar and sixty-five cents in taxes for each one dollar of net income available to stockholders. There was included \$2.56 for taxes in the average monthly telephone statement rendered to our subscribers, or \$30.72 for each telephone for the year 1962.

Only a comparatively few of our customers or stockholders have evidenced sufficient opposition to the World War II Federal Excise Tax to express their views to their representatives in Congress. We are required to continue to add to subscribers' monthly bills this ten per cent Federal Excise Tax and remit it to the Federal Treasury. For the past twelve months this amounted to \$1,237,602.35, which is in addition to all the other direct taxes paid by the Company. The longer this seventeen year old war-time Excise Tax remains in ef-



fect, the probability increases that it will become a permanent part of the subscribers' monthly telephone statement.

#### NET INCOME

Fixed charges consist of interest on our several bond issues, other interest deductions and amortization of bond discount and expense, and were in the total amount of \$676,090.93 for 1962. This is an increase of \$83,885.74 over similar charges for 1961, due to the debt service on the additional issue of \$3,500,000 of Thirty Year 4 $\frac{1}{8}$ % First Mortgage Bonds dated September 1st, 1961.

Net Income available for dividends and surplus was \$2,370,739.00, or \$166,-257.88 more than for the previous year, and is a new peak in earnings. After the payment of dividends on the three issues of preferred stock—and 1962 is the sixty-second year in which this Company and its predecessor, The Local Telephone Company, have paid their preferred dividends in full amount — there remained for the payment of dividends on common stock or for retained earnings \$2,012,709.64. This is equivalent to \$3.00 on each share of common stock outstanding at year end.

Dividends paid on common capital stock were \$1.60 a share in cash, and being the same cash dividend paid for the past seven years. There remained for retained earnings in the Company or for surplus \$939,860.04. However, there was paid on February 2nd, 1963 a common stock dividend of one share for each fifty shares of record January 22nd, 1963. This resulted in the issuance of 12,532 additional shares of common stock and a charge of \$45,635.27 against earned surplus for the cash paid in lieu of fractional shares. A common stock dividend of one share for each one hundred shares was paid May 7th, 1962 out of 1961 earnings.

Excepting for the sale of 463 shares of preferred stock to satisfy requests received from present stockholders and employees, there were no other securities sold during the past twelve months.

The three items which comprise our Surplus or retained earnings totalled \$8,682,023.54 on December 31st, 1962, which is 129 per cent of the par value of our common capital stock.

#### PLANT ADDITIONS

Our 1962 construction program was the largest in the history of this Company. During the year gross additions to telephone plant were \$4,541,326.03, with retirements of \$1,426,518.71 and net additions of \$3,114,807.32. Central office equipment, cable, station apparatus, PBX exchanges and buildings, in that order, constituted the major part of net additions.

At year end the total invested in telephone plant was \$46,673,997.74. This is an average investment for each telephone of \$365.98, and compares with an investment of \$357.09 for each station at the end of 1961.

#### EMPLOYEES

This Company furnishes employment to 903 individuals, 607 women and 296 men. This is an increase of 20 employees during the year.

The total paid in wages during 1962 was \$3,482,347.00, and next to the amount of total taxes paid, is our largest expense of operations. The first reopening for wages only of a three-year Labor Agreement resulted in an increase in hourly wage rates effective August 27th, 1962 in the annual amount of \$95,109.04.

We are fortunate in having a group of conscientious, loyal and efficient employees, and Management desires to accord to each one of them its appreciation for their part in the progress made to render superior telephone service during the past year.



## A LOOK FORWARD

If there is one over-riding requirement that is common to the Telephone Industry, it is that a Company can not stand still. It can never relax its effort to extend and to improve its service to fully meet all of the communications requirements of the people in the area in which it is privileged to serve. As we approach fully automatic local exchange service, there is the requirement for a better grade of telephone service through an increase in the proportion of individual lines and a reduction in the number of telephones on party lines. Making available to all of our subscribers the ability to dial to completion their own long distance calls is to be diligently pressed. Further improvements in plant to minimize service interruptions, and when they occur, to correct the trouble in the shortest possible time, is another objective. We must be prepared to provide our subscribers with fast and

accurate communication service when and where they want it.

Forecasts of the increase in family formations by 1970 are 35 per cent. The projected population growth for the east north central region of the United States, which includes Ohio, indicates that by the year 2000 there will be more than twice as many people as there are now. We believe the requirements for all communications services, and particularly data service, (one machine talking to another machine at speeds of up to 300 letters per second), will exceed substantially the rate of increase in population in the twenty-six counties of Northern Ohio in which we serve.

Future expenditures for new and improved plant facilities will require increasing amounts of new capital. It will be the intent of your Management to meet the challenge of these requirements in the years that lie ahead, and to justify the confidence of our stockholders in this Company.

Respectfully,

President and General Manager

5 March 1963  
Bellevue, Ohio

ERNST & ERNST  
UNION COMMERCE BUILDING  
CLEVELAND 14, OHIO

Board of Directors  
Northern Ohio Telephone Company  
Bellevue, Ohio

We have examined the balance sheet of Northern Ohio Telephone Company as of December 31, 1962, and the related statements of income, other capital, and retained income for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income, other capital, and retained income present fairly the financial position of Northern Ohio Telephone Company at December 31, 1962, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Cleveland, Ohio  
February 27, 1963

Ernst & Ernst

NORTHERN OHIO TELEPHONE  
COMPARATIVE BALANCE SHEET—

## Assets

	<b>Dec. 31, 1962</b>	<b>Dec. 31, 1961</b>
<b>PROPERTY, PLANT, AND EQUIPMENT—Note A</b>		
Telephone plant in service .....	\$46,673,997.74	\$43,559,190.42
Telephone plant under construction .....	313,903.53	896,527.91
	<u>\$46,987,901.27</u>	<u>\$44,455,718.33</u>
Less reserve for depreciation .....	7,486,939.10	6,626,752.44
	<u>\$39,500,962.17</u>	<u>\$37,828,965.89</u>
<b>CURRENT ASSETS</b>		
Cash .....	\$ 940,557.94	\$ 752,265.26
Special cash deposits and working funds .....	60,765.00	53,938.90
United States Government securities—at cost and accrued interest (approximate market) .....	496,816.70	1,188,985.67
Notes and land contracts receivable .....	50,043.58	28,456.09
Accounts receivable (including estimated unbilled: 1962—\$343,517.51; 1961—\$294,342.39) less reserve for uncollectible accounts: 1962—\$12,301.74; 1961—\$5,972.35 .....	1,587,519.99	1,416,260.47
Materials and supplies .....	632,234.73	649,296.60
	<u>\$ 3,767,937.94</u>	<u>\$ 4,089,202.99</u>
<b>DEFERRED CHARGES</b>		
Prepaid insurance and other expenses .....	\$ 19,875.13	\$ 24,451.40
Discount on funded debt .....	132,039.13	138,251.77
	<u>\$ 151,914.26</u>	<u>\$ 162,703.17</u>
	<u><u>\$43,420,814.37</u></u>	<u><u>\$42,080,872.05</u></u>

## COMPANY • BELLEVUE, OHIO

ember 31, 1962, and December 31, 1961

**Liabilities****And Shareholders' Equity**

	Dec. 31, 1962	Dec. 31, 1961
<b>SHAREHOLDERS' EQUITY—Note B</b>		
Capital Stock:		
Cumulative Preferred Stock—\$100.00 par value: Authorized 100,000 shares; issued and outstanding— 1962—75,608 shares; 1961—75,145 shares— Note C .....	\$ 7,560,800.00	\$ 7,514,500.00
Common Stock, \$10.00 par value: Authorized 700,000 shares; issued and outstanding—1962—670,531 shares; 1961—664,803 shares .....	6,705,310.00	6,648,030.00
Installments paid on capital stock .....	3,789.00	2,508.00
	<u>\$14,269,899.00</u>	<u>\$14,165,038.00</u>
Other capital .....	2,211,715.66	1,935,339.66
Retained income—Note D .....	6,470,307.88	5,917,164.93
	<u>\$22,951,922.54</u>	<u>\$22,017,542.59</u>
<b>FUNDED DEBT</b>		
First Mortgage Bonds—Notes D and E .....	15,652,000.00	15,652,000.00
<b>CURRENT AND ACCRUED LIABILITIES</b>		
Accounts payable .....	\$ 992,235.24	\$ 895,937.89
Subscribers' advance billings and payments .....	253,954.26	243,390.09
Taxes accrued—Note F .....	2,658,191.46	2,488,073.02
Unmatured interest and dividends .....	789,089.73	783,928.46
	<u>\$ 4,693,470.69</u>	<u>\$ 4,411,329.46</u>
<b>OTHER DEFERRED CREDIT—Note F</b>	<u>123,421.14</u>	<u>—0—</u>
	<u><u>\$43,420,814.37</u></u>	<u><u>\$42,080,872.05</u></u>

See notes to financial statements.

**COMPARATIVE STATEMENT OF INCOME**  
**NORTHERN OHIO TELEPHONE COMPANY**

Years ended December 31, 1962, and December 31, 1961

	<b>1962</b>	<b>1961</b>
<b>OPERATING REVENUES</b>		
Local service .....	\$ 7,061,933.83	\$ 6,680,979.36
Toll service .....	5,230,556.56	4,547,503.84
Directory advertising and sales .....	551,403.05	556,055.12
Miscellaneous .....	478,051.75	413,907.80
Less provision for uncollectible accounts .....	51,000.00*	50,000.00*
TOTAL OPERATING REVENUES	<u>\$13,270,945.19</u>	<u>\$12,148,446.12</u>
<b>OPERATING EXPENSES</b>		
Current maintenance .....	\$ 1,525,935.44	\$ 1,320,675.59
Depreciation .....	1,859,320.50	1,687,471.39
Traffic .....	1,642,648.53	1,529,475.74
Commercial .....	672,489.12	646,081.28
General office .....	389,991.32	378,270.07
Other—Note G .....	260,285.60	258,595.24
Taxes other than federal taxes on income .....	1,385,149.55	1,181,970.24
TOTAL OPERATING EXPENSES	<u>\$ 7,735,820.06</u>	<u>\$ 7,002,539.55</u>
<b>OTHER INCOME</b>		
	\$ 5,535,125.13	\$ 5,145,906.57
	39,515.27	43,238.56
	<u>\$ 5,574,640.40</u>	<u>\$ 5,189,145.13</u>
<b>OTHER DEDUCTIONS</b>		
Interest expense .....	\$ 669,878.29	\$ 587,200.59
Amortization of discount on funded debt .....	6,212.64	5,004.60
	<u>\$ 676,090.93</u>	<u>\$ 592,205.19</u>
INCOME BEFORE FEDERAL TAXES ON INCOME	<u>\$ 4,898,549.47</u>	<u>\$ 4,596,939.94</u>
Federal taxes on income—estimated (including in 1962, \$123,421.14 equivalent to Investment Credit—Note F) .....	2,527,810.47	2,392,458.82
NET INCOME	<u>\$ 2,370,739.00</u>	<u>\$ 2,204,481.12</u>

See notes to financial statements.

\*Indicates red figure.

### NOTES TO FINANCIAL STATEMENTS

Note A—Telephone plant in service comprises land, buildings, rights-of-way, poles, wire, cable, underground conduit, switchboards, telephones, office furniture, vehicles, motor equipment, and tools. Plant is stated at amounts authorized by The Public Utilities Commission of Ohio with respect to acquisitions from other companies, and other additions are included at cost as of dates of installation.

Note B—On January 10, 1963, The Public Utilities Commission of Ohio approved the declaration on December 28, 1962, of a two per cent dividend in the Company's Common Stock. On February 2, 1963, 12,532 shares were issued to holders of record as of January 22, 1963. The amount charged to retained income in 1963 representing approximate market of the shares (including \$45,635.27 for cash paid in lieu of fractional shares) aggregated \$696,547.35. Accordingly \$125,320.00 and \$525,592.08 were credited to Common Stock and other capital respectively.

Note C—The various series of cumulative preferred stock outstanding at December 31, 1962, are as follows:

	AMOUNT
5% Class A (redeemable at \$110.00 a share):	
Authorized and outstanding 12,000 shares .....	\$1,200,000.00
5% Class B (redeemable at \$105.00 a share):	
Authorized 56,000 shares; outstanding 31,608 shares .....	3,160,800.00
4½% (redeemable at \$105.00 a share):	
Authorized and outstanding 20,000 shares .....	2,000,000.00
4¼% (redeemable at \$105.00 a share):	
Authorized and outstanding 12,000 shares .....	1,200,000.00
	<u>TOTAL \$7,560,800.00</u>

# STATEMENTS OF OTHER CAPITAL AND RETAINED INCOME NORTHERN OHIO TELEPHONE COMPANY

Year ended December 31, 1962

## OTHER CAPITAL

Balance at January 1, 1962 .....	\$1,935,339.66
Excess of market value of 5,728 common shares of the Company issued to effect a 1% stock dividend, over the par value thereof .....	276,376.00
<b>Balance at December 31, 1962 .....</b>	<b>\$2,211,715.66</b>

## RETAINED INCOME

Balance at January 1, 1962 .....	\$5,917,164.93
Add net income for the year .....	2,370,739.00
<b>Deduct:</b>	<b>\$8,287,903.93</b>

Cash dividends declared:	
5% Preferred Stock—\$5.00 a share ....	\$ 217,021.90
4½% Preferred Stock—\$4.50 a share .....	90,007.46
4¼% Preferred Stock—\$4.25 a share .....	51,000.00
Common Stock—\$1.60 a share .....	1,072,849.60
	\$1,430,878.96

Common Stock dividend:	
Market value of 5,728 full shares	
issued to effect a 1% stock dividend \$ .....	333,656.00
Cash paid in lieu of fractional shares ..	53,061.09
	386,717.09
<b>Balance at December 31, 1962 .....</b>	<b>\$6,470,307.88</b>

See notes to financial statements.

Note D—Under the terms of the Eleventh Supplemental Indenture dated September 1, 1961, to The First Mortgage Trust Deed retained income amounting to \$3,537,311.11 (after giving effect to the cash paid in the transaction described in Note B) is not restricted for payment of cash dividends on Common Stock.

Note E—First Mortgage Bonds outstanding as of December 31, 1962, are as follows:

DUE DATE	INTEREST RATE	AMOUNT
Aug. 1, 1965	3⅓ %	\$ 2,752,000.00
Nov. 1, 1980	2⅔ %	1,600,000.00
Nov. 1, 1982	3½ %	1,800,000.00
Oct. 1, 1987	5⅛ %	3,000,000.00
Dec. 1, 1988	4⅓ %	3,000,000.00
Sept. 1, 1991	4⅓ %	3,500,000.00
		TOTAL    \$15,652,000.00

The bonds are secured by first mortgage on all telephone plant now owned or hereafter acquired. The Company covenants, while any of such bonds are outstanding, to provide sinking funds by annual payments to the Trustee, in cash or securities, of an amount equal to one per cent of the aggregate principal amount of bonds issued. The Company has the right to substitute 60% of cost or fair value of permanent additions against which additional bonds have not been issued in lieu of cash or securities to meet sinking fund requirements. Sinking fund requirements have been complied with.

Note F—Federal income taxes payable have been reduced by \$123,421.14 representing the investment credit as provided by the Revenue Act of 1962, and an amount equivalent thereto has been reflected as other deferred credit.

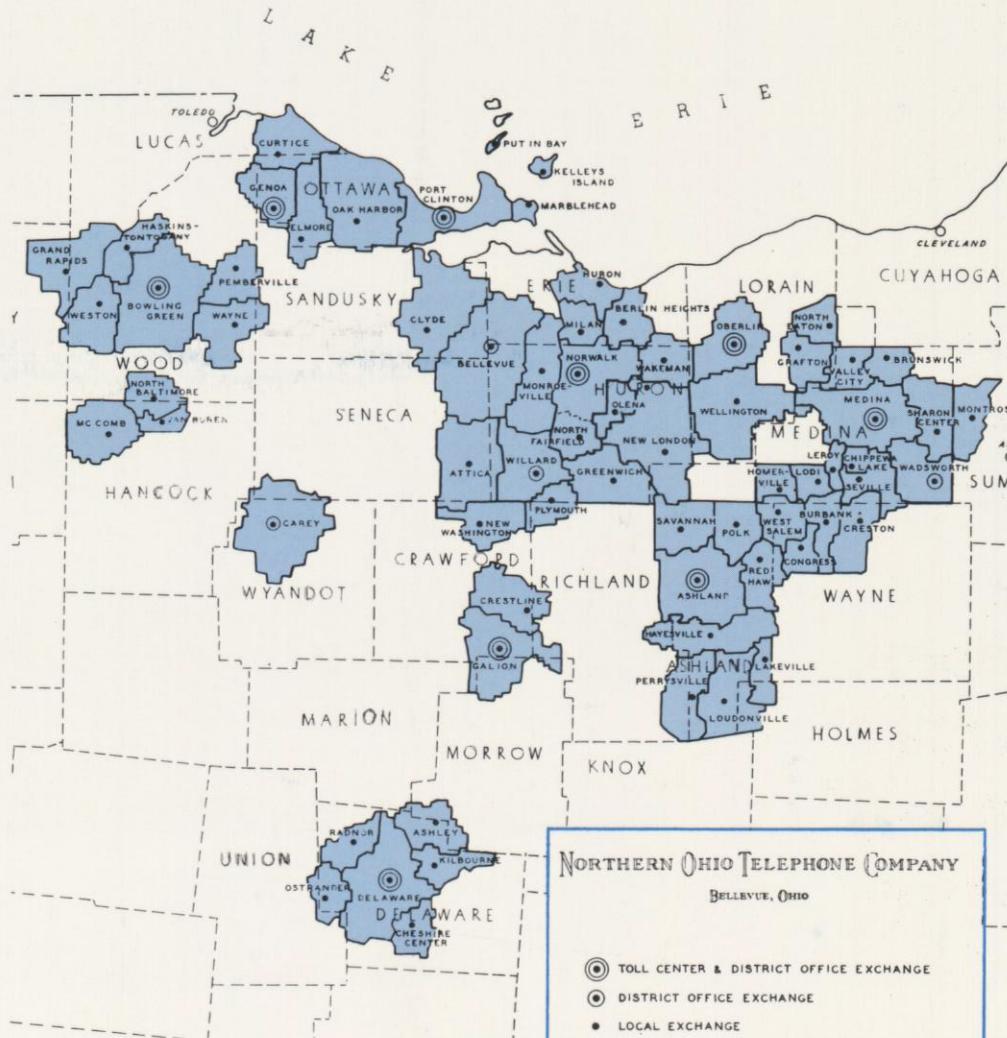
Note G-The contribution under the pension plan for employees of the Company included with other operating expenses amounted to \$142,668.96 for the year 1962, including a portion of past service costs. At December 31, 1962, the estimated unfunded portion of past service costs amounted to approximately \$375,000.00.

	Allan G. Aigler	<i>Chairman of the Board</i>
	Wm. C. Henry	<i>President and General Manager</i>
<b>OFFICERS</b>	John E. Wise	<i>Vice President</i>
	Wm. H. Todd	<i>Secretary and Treasurer</i>
	John A. Aigler	<i>Assistant Secretary and Treasurer</i>

	*Allan G. Aigler	<i>Aigler and Aigler, Attorneys, Bellevue</i>
	John A. Aigler	<i>General Commercial Superintendent of the Company, Bellevue</i>
	Thomas A. Boyd	<i>Executive Vice President-Finance General Telephone &amp; Electronics Corp., New York</i>
	Charles H. Campbell	<i>Agent, The Equitable Life Assurance Society, Ashland</i>
<b>DIRECTORS</b>	Robert T. Campbell	<i>Senior Project Engineer The North Electric Manufacturing Co., Galion</i>
	*Herbert A. Erf	<i>The H. A. Erf Acoustical Company, Shaker Heights</i>
	Frank C. Henry	<i>Bosworth, Sessions, Herrstrom and Knowles, Patent Attorneys, Cleveland</i>
	*Wm. C. Henry	<i>President and General Manager of the Company, Norwalk</i>
	Ira L. Porter	<i>114 Fairway Drive, Oberlin</i>
	Hermann H. Thornton	<i>556 Morgan Street, Oberlin</i>
	*Fred W. Uhlman	<i>President, F. W. Uhlman and Company, Bowling Green</i>
	Fred G. Williamson	<i>General Plant Superintendent of the Company, Bellevue</i>
	*John E. Wise	<i>President, The Citizens National Bank of Norwalk, Norwalk</i>
	<i>*Executive Committee</i>	

# EXCHANGES OF NORTHERN OHIO TELEPHONE COMPANY

Exchange	Telephones Jan. 1, 1963
Ashland	10236
Ashley	658
Attica	854
Bellevue	4868
Berlin Heights	550
Bowling Green	6749
Brunswick	3619
Burbank	259
Carey	1740
Cheshire Center	543
Chippewa Lake	472
Clyde	3069
Congress	317
Crestline	2664
Creston	723
Curtice	2556
Delaware	7414
Elmore	1348
Galion	7297
Genoa	1500
Grafton	829
Grand Rapids	705
Greenwich	884
Haskins-Tontogany	546
Hayesville	1111
Homerville	147
Huron	2566
Kelleys Island	126
Kilbourne	303
Lakeville	171
Leroy	425
Lodi	1405
Loudonville	1751
Marblehead	1067



Exchange	Telephones Jan. 1, 1963
McComb	890
Medina	6531
Milan	1105
Monroeville	942
Montrose	4131
New London	1817
New Washington	739
North Baltimore	1212
North Eaton	1191
Norwalk	7198
Oak Harbor	2437
Oberlin	4327
Ostrander	380
Pemberville	798
Perrysville	733
Plymouth	882
Polk	331
Port Clinton	5435
Put-in-Bay	264
Radnor	227
Rathbone	332
Red Haw	325
Savannah	373
Seville	727
Sharon Center	1000
Valley City	613
Van Buren	287
Wadsworth	6449
Wakeman	506
Wayne	999
Wellington	2563
Weston	836
West Salem	507
Willard	3293
<b>Total Telephones</b>	<b>129,852</b>

